

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

RECEIVED
APR 15 2003

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-02481A
Serviceberry Water Company
P. O. Box 876
Taylor AZ 85939

ANNUAL REPORT

*Entered
4/30/03
C.M.*

FOR YEAR ENDING

12	31	2002
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FOR COMMISSION USE

ANN 04	02
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OK

COMPANY INFORMATION

Company Name (Business Name) <u>Serviceberry Water Company</u>		
Mailing Address <u>P.O. Box 1270</u>		
<u>Show Low</u> (City)	<u>AZ</u> (State)	<u>85902</u> (Zip)
<u>928-537-8739</u> Telephone No. (Include Area Code)	<u>Same</u> Fax No. (Include Area Code)	<u>928-532-6941</u> Pager/Cell No. (Include Area Code)
Email Address <u>NA</u>		
Local Office Mailing Address <u>Same as above</u>		
<u>Same</u> (City)	<u>—</u> (State)	<u>—</u> (Zip)
<u>Same</u> Local Office Telephone No. (Include Area Code)	<u>—</u> Fax No. (Include Area Code)	<u>—</u> Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>Mark Grapp</u>			<u>Owner</u>								
<u>P.O. Box 1270</u> (Street)			<u>Show Low</u> (City)			<u>AZ</u> (State)			<u>85902</u> (Zip)		
<u>928-537-8739</u> Telephone No. (Include Area Code)			<u>Same</u> Fax No. (Include Area Code)			<u>928-532-6941</u> Pager/Cell No. (Include Area Code)					
Email Address <u>NA</u>											
On Site Manager: <u>Mark Grapp</u>											
<u>P.O. Box 1270</u> (Street)			<u>Show Low</u> (City)			<u>AZ</u> (State)			<u>85902</u> (Zip)		
<u>928-537-8739</u> Telephone No. (Include Area Code)			<u>Same</u> Fax No. (Include Area Code)			<u>928-532-6941</u> Pager/Cell No. (Include Area Code)					
Email Address <u>NA</u>											

Statutory Agent: NA
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: NA
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- Sole Proprietor (S)
- Partnership (P)
- Bankruptcy (B)
- Receivership (R)
- Other (Describe) _____
- C Corporation (C) (Other than Association/Co-op)
- Subchapter S Corporation (Z)
- Association/Co op (A)
- Limited Liability Company

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- APACHE
- GILA
- LA PAZ
- NAVAJO
- SANTA CRUZ
- STATEWIDE
- COCHISE
- GRAHAM
- MARICOPA
- PIMA
- YAVAPAI
- COCONINO
- GREENLEE
- MOHAVE
- PINAL
- YUMA

COMPANY NAME

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	20,000.-	N/A	20,000.-
304	Structures and Improvements	2,590.-	1,424.50	1,165.50
307	Wells and Springs	9,490.-	5,189.50	4,300.50
311	Pumping Equipment	4,500.-	2,475.-	2,025.-
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	2,976.-	1,636.80	1,339.20
331	Transmission and Distribution Mains	35,075. ⁶⁷	11,603. ⁹²	23,471.75
333	Services	334.-	318.20	15.80
334	Meters and Meter Installations	759.-	566.25	192.75
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	75,724.67	23,214.¹⁷	52,510.50

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	20,000.-	0	0-
304	Structures and Improvements	2,590.-	5%	129.50
307	Wells and Springs	9,490.-	5%	474.50
311	Pumping Equipment	4,500.-	5%	225.-
320	Water Treatment Equipment	—	—	—
330	Distribution Reservoirs and Standpipes	2,976.-	5%	148.80
331	Transmission and Distribution Mains	35,075. ⁶⁷	5%	1,753.78
333	Services	334.-	5%	16.70
334	Meters and Meter Installations	759.-	5%	37.95
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	71,269.67	—	2,786. ²³

This amount goes on Comparative Statement of Income and Expense _____
 Acct. No. 403.

COMPANY NAME

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
ASSETS			
CURRENT AND ACCRUED ASSETS			
131	Cash	\$ 1,296.45	\$ 263.14
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	743.52	1,236.89
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 2,039. ⁹⁷ ₋	\$ 1,500. ⁰³ ₋
FIXED ASSETS			
101	Utility Plant in Service	\$ 62,646.50	\$ 75,724.67
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(20,373.69)	(23,214.17)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 42,272.81	\$ 52,510.50
	TOTAL ASSETS	\$ 44,312. ⁷⁸	\$ 54,010.53

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
LIABILITIES			
CURRENT LIABILITES			
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	1,400.00	1,800.00
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 1,600.00	\$ 1,800.00
LONG-TERM DEBT (Over 12 Months)			
224	Long-Term Notes and Bonds	\$	\$
DEFERRED CREDITS			
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		2,500.00
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 1,600.00	\$ 4,300.00
CAPITAL ACCOUNTS			
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	42,712.78	45,410.53
	TOTAL CAPITAL	\$ 42,712.78	\$ 45,410.53
	TOTAL LIABILITIES AND CAPITAL	\$ 44,312.78	\$ 54,010.53

COMPANY NAME

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 7,685.57	\$ 9,469.71
460	Unmetered Water Revenue		
474	Other Water Revenues	60.00	75.00
	TOTAL REVENUES	\$ 7,745.57	\$ 9,544.71
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 2,840.00	\$ 3,742.91
610	Purchased Water		
615	Purchased Power	474.99	449.58
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense	411.91	206.12
630	Outside Services	774.96	132.06
635	Water Testing	1,058.12	344.33
641	Rents		
650	Transportation Expenses	334.02	34.26
657	Insurance – General Liability	59.04	21.00
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	431.14	35.13
403	Depreciation Expense	1,918.00	2,786.23
408	Taxes Other Than Income	793.09	593.97
408.11	Property Taxes	288.90	312.30
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 9,384.17	\$ 8,657.89
	OPERATING INCOME/(LOSS)	\$ (1,638.60)	\$ 886.82
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		20.53
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$ (20.53)
	NET INCOME/(LOSS)	\$ (1,638.60)	\$ 866.29

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-0511289	3	25	6	400	NA	19

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NA		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2	1	0	0

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	1	120	1

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	660
3		
4	PVC	2,880
5		
6	PVC	1,495
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	21
3/4	1
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

NA

STRUCTURES:

1-8' x 12' Bldg.

OTHER:

NA

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	17	167,720	167,720
FEBRUARY	18	61,600	61,600
MARCH	19	44,760	44,760
APRIL	20	88,580	88,580
MAY	20	151,440	151,440
JUNE	20	171,790	171,790
JULY	19	155,800	155,800
AUGUST	19	108,880	108,880
SEPTEMBER	20	144,900	144,900
OCTOBER	19	100,660	100,660
NOVEMBER	20	94,540	94,540
DECEMBER	21	86,400	86,400
TOTAL		N/A	1,377,070

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. <0.001 mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME _____

YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 312.³⁰

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

07 E 4185- 2009120

SERVICEBERRY WATER COMPANY 2099
 MARK E. GRAPP
 P.O. BOX 426
 LAKESIDE, AZ 85929-0426 Date 10-30-02 91-170/1221 AZ 8595

Pay to the Order of Apache Co. Treasurer \$ 312.30
Three hundred twelve & ³⁰/₁₀₀ Dollars

Bank of America

ACH R/T 122101706
 For Tax Roll #49659

⑆ 122101706⑆ 000094007923⑆ 2099 ⑆00000031230⑆

GUARDIAN® SAFETY BLUE WBL

PAY TO THE ORDER OF
 WEBSTER, AZ 11103442
 TRACER# 0817/07 45012 015
 ⑆ 122101706⑆
 0835711007
 01-10-2002

FOR DEPOSIT ONLY
 APACHE COUNTY TREASURER
 ACCT # 0021700115

US DATE 11/14/02
 P07 E C 044 AZ
 11/14/02 E5953 01 P01
 3550313191

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported
Estimated or Actual Federal Tax Liability

*N/A - Sole Proprietorship pays
it's taxes based on Owner's
Schedule C income.*

State Taxable Income Reported
Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



4-15-03

SIGNATURE

DATE

Mark Grapp

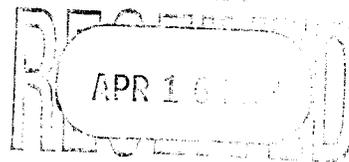
Owner

PRINTED NAME

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Apache</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Mark Grapp-Owner</u>
COMPANY NAME	<u>Serviceberry Water Co.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)
\$ <u>9,544.71</u>

(THE AMOUNT IN BOX ABOVE INCLUDES \$ 593.97 IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF

(SEAL)

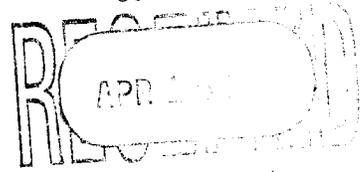
MY COMMISSION EXPIRES May 1st, 2005

[Signature]
SIGNATURE OF OWNER OR OFFICIAL
928-537-8739
TELEPHONE NUMBER

	COUNTY NAME	<u>Navajo</u>
	MONTH	<u>April</u> 20 <u>03</u>
<u>[Signature]</u> SIGNATURE OF NOTARY PUBLIC		

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)	Apache	
NAME (OWNER OR OFFICIAL)	Mark Grapp	TITLE Owner
COMPANY NAME	Serviceberry Water Co.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 9,158. ⁷¹

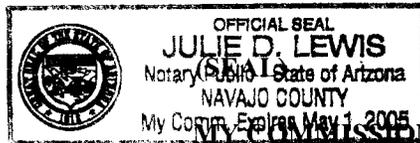
(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 571.55 IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

[Signature]
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 15th DAY OF

NOTARY PUBLIC NAME	Julie D. Lewis	
COUNTY NAME	Navajo	
MONTH	April	.20 03



EXPIRES May 1st, 2005 *[Signature]*
SIGNATURE OF NOTARY PUBLIC